

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

- 1 Page 26, between lines 5 and 6, begin a new paragraph and insert:
- 2 "SECTION 13. IC 6-1.1-12.5 IS ADDED TO THE INDIANA
- 3 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
- 4 [EFFECTIVE JANUARY 1, 2006]:
- 5 **Chapter 12.5. Assessment Phase-in Deduction**
- 6 **Sec. 1. For purposes of this chapter:**
- 7 **(1) "personal property" does not include:**
- 8 **(A) inventory (as defined in IC 6-1.1-3-11); and**
- 9 **(B) personal property used by a retail business;**
- 10 **(2) "real property" does not include:**
- 11 **(A) a single family dwelling if the first year in which the**
- 12 **dwelling would otherwise qualify for the deduction under**
- 13 **this section is the first year the dwelling is subject to**
- 14 **assessment; and**
- 15 **(B) real property used by a retail business; and**
- 16 **(3) "rehabilitate" means to remodel, repair, or improve in any**
- 17 **manner.**
- 18 **Sec. 2. (a) Subject to subsection (g) and section 3 of this chapter,**
- 19 **a taxpayer that installs or rehabilitates personal property for which**
- 20 **the taxpayer is liable for property taxes is entitled to a deduction**
- 21 **from the assessed value of the personal property. For purposes of**
- 22 **this subsection, personal property is considered to be installed if the**
- 23 **property is installed as described in 50 IAC 10-1-2, as in effect on**
- 24 **January 1, 2005.**
- 25 **(b) Subject to subsection (g) and section 3 of this chapter, a**

1 taxpayer that constructs or rehabilitates real property for which  
 2 the taxpayer is liable for property taxes is entitled to a deduction  
 3 from the assessed value of the real property.

4 (c) The deduction under this section is available in:

5 (1) the year in which:

6 (A) the personal property or real property is first subject  
 7 to assessment; or

8 (B) the rehabilitation of the real property results in an  
 9 increased assessed valuation of the real property; and

10 (2) the immediately succeeding two (2) years.

11 (d) The amount of the deduction that a taxpayer may receive for  
 12 the year referred to in subsection (c)(1) equals the product of:

13 (1) the assessed value for that year resulting from:

14 (A) the installation of the personal property, or the  
 15 rehabilitation of the personal property to the extent the  
 16 rehabilitation results in an assessed value that exceeds the  
 17 assessed value of the personal property for the immediately  
 18 preceding year; or

19 (B) the construction or rehabilitation of the real property;

20 multiplied by

21 (2) seventy-five percent (75%).

22 (e) The amount of the deduction that a taxpayer may receive for  
 23 the first year referred to in subsection (c)(2) equals the product of:

24 (1) the assessed value of:

25 (A) the personal property installed in the year referred to  
 26 in subsection (c)(1) determined for the first year referred  
 27 to in subsection (c)(2);

28 (B) the personal property rehabilitated in the year referred  
 29 to in subsection (c)(1) to the extent the rehabilitation  
 30 results in an assessed value for the first year referred to in  
 31 subsection (c)(2) that exceeds the assessed value of the  
 32 personal property that would have applied for the first  
 33 year referred to in subsection (c)(2) if the rehabilitation  
 34 had not occurred; or

35 (C) the real property determined for the immediately  
 36 preceding year under subsection (d)(1)(B) as adjusted:

37 (i) in a general reassessment of real property under  
 38 IC 6-1.1-4-4; or

39 (ii) under IC 6-1.1-4-4.5;

40 multiplied by

41 (2) fifty percent (50%).

42 (f) The amount of the deduction that a taxpayer may receive for  
 43 the second year referred to in subsection (c)(2) equals the product  
 44 of:

45 (1) the assessed value of:

46 (A) the personal property installed in the year referred to

in subsection (c)(1) determined for the second year referred to in subsection (c)(2);

(B) the personal property rehabilitated in the year referred to in subsection (c)(1) to the extent the rehabilitation results in an assessed value for the second year referred to in subsection (c)(2) that exceeds the assessed value of the personal property that would have applied for the second year referred to in subsection (c)(2) if the rehabilitation had not occurred; or

(C) the real property determined for the immediately preceding year under subsection (d)(1)(B) as adjusted:

(i) in a general reassessment of real property under IC 6-1.1-4-4; or

(ii) under IC 6-1.1-4-4.5;

multiplied by

(2) twenty-five percent (25%).

(g) A property owner that qualifies for a deduction for a year under:

(1) this section; and

(2) another statute;

with respect to the same real property or personal property may not receive a deduction for the property under both statutes for that year.

(h) A property owner is not required to file an application to qualify for the deduction under this section. The county auditor shall:

(1) make the deduction; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

**Sec. 3. If ownership of the personal property or real property changes:**

(1) the deduction provided under this chapter continues to apply to the property; and

(2) the amount of deduction is:

(A) the percentage under subsection 2(d)(2), or 2(e)(2), or 2(f)(2) of this chapter that would have applied if the ownership of the property had not changed; multiplied by

(B) the assessed value of the property for the year the new owner is entitled to the deduction.

**Sec. 4. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter."**

Page 39, line 39, after "IC 36-7-14-39" insert ", AS AMENDED BY P.L.4-2005, SECTION 135,".

Page 41, line 5, delete "portion" and insert "part".

Page 41, line 9, delete "portion" and insert "part".

- 1 Page 43, line 1, delete "portion" and insert "part".
  - 2 Page 43, line 12, delete "(A)" and insert "(i)".
  - 3 Page 43, line 16, delete "(B)" and insert "(ii)".
  - 4 Page 43, line 18, delete "(A)" and insert "(i)".
  - 5 Page 43, line 19, delete "(B)" and insert "(ii)".
  - 6 Page 45, line 7, delete "IC 4-4-6.1," and insert "IC 5-28-15,".
  - 7 Page 45, line 19, delete "portion" and insert "part".
  - 8 Page 45, line 34, delete "portion" and insert "part".
  - 9 Page 46, line 10, after "IC 36-7-15.1-26" insert ", AS AMENDED
  - 10 BY P.L.4-2005, SECTION 138,".
  - 11 Page 47, line 18, delete "portion" and insert "part".
  - 12 Page 47, line 22, delete "portion" and insert "part".
  - 13 Page 50, line 26, delete "IC 4-4-6.1," and insert "IC 5-28-15,".
  - 14 Page 51, line 19, delete "portion" and insert "part".
  - 15 Page 51, line 36, after "IC 36-7-15.1-53" insert ", AS AMENDED
  - 16 BY P.L.4-2005, SECTION 140,".
  - 17 Page 55, line 3, delete "IC 4-4-6.1," and insert "IC 5-28-15,".
  - 18 Page 61, between lines 20 and 21, begin a new paragraph and insert:
  - 19 "SECTION 44. [EFFECTIVE JANUARY 1, 2006] **IC 6-1.1-12.5,**
  - 20 **as added by this act, applies only to property taxes first due and**
  - 21 **payable after December 31, 2006."**
  - 22 Renumber all SECTIONS consecutively.
- (Reference is to ESB 1 as printed March 15, 2005.)

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Representative Day